

Tyranny of sanctions

Embargoes satisfy idealism in US foreign policy but doubts over their efficacy and the cost paid by exporters are changing attitudes in Washington, says **Mark Suzman**

When in the wake of the first world war President Woodrow Wilson formally endorsed economic sanctions as a foreign policy tool that would forestall the "need for force" in international relations, he was applauded at home and abroad.

These days, attitudes to sanctions are more ambivalent. Although the US has spent the past decade imposing more sanctions on more countries than at any time in its history, they have achieved only limited practical results. They have also become ever more controversial with US business leaders and the country's diplomatic allies.

A shift in attitudes is under way in Washington. While the White House and Congress continue to stress support for the principle of embargoes, both have become wary about imposing them. The most tangible sign of such a change came last month when President Bill Clinton relaxed long-standing restrictions on sales of food and medicine to "rogue" states such as Iran.

Now support has started to build in Congress for further changes in US policy, including legislation aimed at increasing transparency and flexibility.

"It may be a bit strong to call it a sea change but there is finally a chance for real reform," says Daniel O'Flaherty, vice-president of the National Foreign Trade Council and a spokesman for USA Engage, a coalition of business groups opposing sanctions. "There is a growing acceptance that in a global economy the US acting alone is not going to coerce countries into changing their behaviour."

There were several factors behind the rush of sanctions over the past decade. They formed part of an idealistic strain in US foreign policy that was encouraged by the power of the US in global markets. They were also a popular and relatively painless way for politicians to appeal to domestic constituencies and pressure groups.

Some of the change in attitude stems from a change in the way sanctions have been applied. Mr Wilson originally



Woodrow Wilson: economic siege in place of warfare Hulton Getty

intended them as part of broad multilateral initiatives, but the bulk of the 60-odd measures approved over the past five years have been unilateral. They include controversial legislation such as the Helms-Burton law on Cuba and the Iran-Libya sanctions act, which imposes boycotts on third parties that trade with or invest in targeted countries.

Not only have such measures precipitated serious diplomatic wrangles - most notably with the European Union - they have also hampered the US administration's freedom of action in conducting foreign policy. The problem was highlighted last year when the US was forced under a 1994 law to impose sanctions on India and Pakistan when they held nuclear tests.

Such problems might be acceptable if they were accompanied by tangible results, but a series of recent studies suggests that almost none of the sanctions has succeeded in the primary goal of effecting change. Instead, as a report by the Center for Strategic and International Studies, a Washington think-tank, puts it, there is growing consensus among analysts that "nearly all unilateral sanctions fail nearly all the time".

The business community

has also become more vocal in seeking to limit the estimated \$15-\$20bn of exports lost annually because of sanctions. The politically powerful agriculture lobby has made a priority of sanctions reform in its effort to compensate for a stagnant home market.

"The net effect of self-imposed unilateral sanctions is that they may deny US markets abroad, reduce our trade balance, lead to the loss of jobs, complicate our foreign policy and antagonise our friends and allies," says Richard Lugar, the Indiana senator who is a champion of reform.

So far the focus has been on lifting existing bans on the sales of food, medicine and medical equipment, a move that has helped pacify the farmers without attracting too much criticism from pro-sanctions groups. The Treasury has issued regulations that would permit such exports in cases over which it has discretion, such as embargoes against Iran and Libya.

The White House has argued there is no harm in allowing regimes of which it disapproves to spend money on things that benefit ordinary people. "Our purpose in applying sanctions is to influence the behaviour of regimes, not to deny people their basic human needs,"

said Stuart Eizenstat, deputy treasury secretary.

A similar shift is under way on Capitol Hill. The usual flow of sanctions bills has declined to a trickle during the current session. The Senate has also approved an amendment to one of its spending bills to ensure that food and medicine are exempted from future sanctions. Several other proposals in line with the White House's executive decision are being considered seriously.

Previous attempts to push such legislation through Congress have been blocked by Jesse Helms, the powerful chair of the Senate Foreign Relations Committee. But although Mr Helms recently accused sanctions opponents of co-operating with "thugs, tyrants and terrorists", he now says he is prepared to support changes to existing policy, provided they do not damage "moral and national security interests".

That has raised hopes that Congress may be willing to accept fundamental reform. This could include a proposal by Mr Lugar that potential sanctions require formal cost-benefit analysis. Negotiations are under way to try to come up with an acceptable compromise bill by the time Congress returns from its summer break next month.

It is still possible that reform efforts will be swallowed up in the crowded agenda. Any fresh international crisis could also lead to a hardening of public opinion on the use of sanctions. But although some sticking points remain - such as whether the president should be able to waive sanctions in the national interest - officials say prospects are encouraging.

Even if legislation is not passed, most observers think attitudes have changed sufficiently to ensure the US will proceed more cautiously in applying sanctions in future.

Richard Haass, director of foreign policy studies at the Brookings Institution, says: "There is much more awareness of the fact that sanctions have broad consequences and we need more flexibility and transparency in applying them."